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Pet & Libya (12)

LR PET Libya

Department of State **TELEGRAM**

374

SECRET 922

PAGE 01 TRIPOLI 02387 061339Z

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ACTION AF-18

INFO OCT-01 ES-20 NSC-10 L-04 CIAE-00 INR-08 NSAE-00

RSC-01 DODE-00 PM-05 NEA-13 EUR-20 E-15 COM-08 INT-06

TRSY-11 OEP-01 PRS-01 RSR-01 /143 W

DEPARTMENT OF STATE A/CDC/MR 017501
REVIEWED BY CJ DATE 8/7/81
RDS ☐ or XDS ☐ EXT. DATE
TS AUTH. REAS (b)(5)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED ☑ RELEASABLE ☑
RELEASE DENIED ☐
PA or FOI EXEMPTIONS

R 051528Z OCT 70
FM AMEMBASSY TRIPOLI
TO USCINCEUR/GER
INFO SECSTATE WASHDC 6980

S E C R E T TRIPOLI 2387

NOFORN

SUBJECT : EUCOM INTELLIGENCE SUMMARY CABLE

REFERENCE: USCINCEUR DTG 301525Z SEP 70 (NOTAL)

RE COMMENTS, REFTEL, ON OIL SITUATION AND PRICE AGREEMENTS IN LIBYA:

(2)

A) STATEMENT THAT "INCREASED POSTED PRICE WILL NOT BE RETROACTIVE, BUT THAT TAX RATE WILL BE RAISED INSTEAD," IS INACCURATE AND PERPETUATES INACCURACY OF EARLIER REPORT ON SAME SUBJECT. TO CLARIFY TERMS AND PATTERN OF NEW PRICE AGREEMENTS, WE ARE POUCHING TO USINCEUR FOLLOWING MESSAGES: TRIPOLI 2171, 2203 AND 2294. IF USCINCEUR WISHES TO CONTINUE TO BE INFORMED ABOUT PETROLEUM DEVELOPMENTS IN LIBYA, WE WILL ADD USCINCEUR AS ADDRESSEE IF REQUESTED.

B) WE WOULD BE INTERESTED IN CALCULATION WHICH YIELDED ESTIMATE IN REFTEL THAT, "AGREEMENTS THUS FAR CONCLUDED WILL RESULT IN OIL REVENUES TO LIBYAN GOVERNMENT BEING INCREASED BY AT LEAST $115MILLION ANNUALLY." OIL REVENUE TO LARG IS FUNCTION OF RATE OF PRODUCTION AND RATE OF PAYMENT. NEW PAYMENT RATE IS DEFINED IN RECENTLY CONCLUDED POSTED PRICE - TAX RATE AGREEMENTS, BUT LARG NOW IS CONTROLLING PRODUCTION RATE. OIL PRODUCTION HAS DECLINED FROM PEAK

Tripoli 2387 10/5/70

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OF 3.67 MILLION B/D FOR APRIL 1970 TO LOW FOR THIS YEAR OF 3.01 MILLION B/D. WE BELIEVE IT WOULD BE MORE ACCURATE TO SAY THAT NEW POSTED PRICES AND TAX TERMS WILL INCREASE LARGES AVERAGE PER BARREL REVENUE FROM $1 PER BARREL (FOR 1969) TO ABOUT $1.30 PER BARREL. GP-4.
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